

**ASSEMBLY BILL**

**No. 1317**

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**Introduced by Assembly Member Mullin**

February 23, 2007

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An act to amend Section 22212.5 of the Education Code, and Section 20098 of the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1317, as introduced, Mullin. Public employees' retirement: executive compensation.

(1) Existing law requires the Teachers' Retirement Board to fix compensation for certain positions in the State Teachers' Retirement System, notwithstanding specified authority granted to the Department of Personnel Administration.

This bill would extend that requirement to executive officers and the general counsel.

(2) Existing law requires the Board of Administration of the Public Employees' Retirement System to appoint and fix the compensation of certain employees of the system whose positions are designated as managerial, notwithstanding specified authority granted to the Department of Personnel Administration.

This bill would extend that authority to deputy executive officers, assistant executive officers, a general counsel, and the supervising pension actuaries.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 22212.5 of the Education Code is amended to read:

22212.5. (a) This section shall apply to the following positions in the system: chief executive officer, *executive officers*, system actuary, *general counsel*, chief investment officer, and other investment officers and portfolio managers whose positions are designated managerial pursuant to Section 18801.1 of the Government Code.

(b) Notwithstanding Sections 19816, 19825, 19826, 19829, and 19832 of the Government Code, the board shall fix the compensation for the positions specified in subdivision (a). In so doing, the board shall be guided by the principles contained in Sections 19826 and 19829 of the Government Code, consistent with its fiduciary responsibility to its members to recruit and retain highly qualified and effective employees for these positions.

(c) When a position specified in subdivision (a) is filled through a general civil service appointment, it shall be filled from an eligible list based on an examination that was held on an open basis, and tenure in those positions shall be subject to the provisions of Article 2 (commencing with Section 19590) of Chapter 7 of Part 2 of Division 5 of Title 2 of the Government Code. In addition to the causes for action specified in that article, the board may take action under the article for causes related to its fiduciary responsibility to its members, including the employee's failure to meet specified performance objectives.

(d) An individual who held a position designated in subdivision (a) for less than five years may not, for a period of two years after leaving that position, for compensation, act as agent or attorney for, or otherwise represent, any other person, except the state, by making any formal or informal appearance before or by making any oral or written communication to the board, or any officer or employee thereof, if the appearance or communication is made for the purpose of influencing administrative or legislative action or any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, contract, or sale or purchase of goods or property.

SEC. 2. Section 20098 of the Government Code is amended to read:

1 20098. (a) The board shall appoint and, notwithstanding  
2 Sections 19816, 19825, 19826, 19829, and 19832 shall fix the  
3 compensation of an executive officer, *deputy executive officers*,  
4 *assistant executive officers*, a *general counsel*, a chief actuary, *the*  
5 *supervising pension actuaries*, a chief investment officer, and other  
6 investment officers and portfolio managers whose positions are  
7 designated managerial pursuant to Section 18801.1.

8 (b) The executive officer, deputy executive officers, and the  
9 assistant executive officers may administer oaths.

10 (c) When fixing the compensation for the positions specified in  
11 subdivision (a), the board shall be guided by the principles  
12 contained in Sections 19826 and 19829, consistent with its  
13 fiduciary responsibility to its members to recruit and retain highly  
14 qualified and effective employees for these positions.

15 (d) When a position specified in subdivision (a) is filled through  
16 a general civil service appointment, it shall be filled from an  
17 eligible list based on an examination that was held on an open  
18 basis, and tenure in the position shall be subject to the provisions  
19 of Article 2 (commencing with Section 19590) of Chapter 7 of  
20 Part 2 of Division 5 of Title 2. In addition to the causes for action  
21 specified in that article, the board may take action under the article  
22 for causes related to its fiduciary responsibility to its members,  
23 including the employee's failure to meet specified performance  
24 objectives.

25 (e) An individual who held a position designated in subdivision  
26 (a) for less than five years may not, for a period of two years after  
27 leaving that position, for compensation, act as agent or attorney  
28 for, or otherwise represent, any other person, except the state, by  
29 making any formal or informal appearance before or any oral or  
30 written communication to the Public Employees' Retirement  
31 System, or any officer or employee thereof, if the appearance or  
32 communication is made for the purpose of influencing  
33 administrative or legislative action or any action or proceeding  
34 involving the issuance, amendment, awarding, or revocation of a  
35 permit, license, grant, contract, or sale or purchase of goods or  
36 property.